

PROVIDING THAT ALASKA AND HAWAII BE ELIGIBLE FOR PARTICIPATION IN THE DISTRIBUTION OF DISCRETIONARY FUNDS UNDER SECTION 6(B) OF THE FEDERAL AIRPORT ACT

JULY 15, 1959.—Ordered to be printed

Mr. BARTLETT, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

[To accompany S. 2208]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 2208) to provide for equal treatment for the State of Alaska as for other States of the Union with respect to the allotment of funds under the Federal Airport Act, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

PURPOSE

The purpose of the bill is to permit the new State of Alaska and the prospective State of Hawaii to be eligible to receive amounts from the so-called discretionary fund as provided in the Federal Airport Act, as amended.

NEED FOR LEGISLATION

Under the provisions of section 5(b) of the Federal Airport Act, as amended, both Alaska and Hawaii now receive, as they have in the past, a fixed annual allotment of Federal matching funds for airport development. Thus, the annual sum of \$1,350,000 per year is allotted to Alaska and the annual sum of \$750,000 to Hawaii. In the case of all other States, Federal matching funds are apportioned on the basis of an area and population formula, similar to that provided for in the Federal Highway Act. Because of their prior Territorial status, however, neither Alaska nor Hawaii is eligible to receive any supplementary aid from the so-called discretionary fund which is now available for allocation by the Administrator of the Federal Aviation Agency for needed airport projects in the several States, irrespective of State boundaries.

The airport construction needs in both Alaska and Hawaii are significantly substantial. The official estimates recently published by the Federal Aviation Agency indicate a potential cost of \$37 million for Alaska and \$20 million for Hawaii for needed airport development during the next 4 years. Of all areas under our flag, Alaska is the most dependent upon air transportation for its normal traffic in cargo, mail, and passengers. Moreover, under the recently enacted Alaska omnibus bill, Public Law 86-70, the Federal Government has transferred to the State of Alaska the large international airports at Anchorage and Fairbanks where much additional construction work is required to complete facilities planned for these airports which was not accomplished while under Federal ownership. By making both Alaska and Hawaii eligible for consideration for additional Federal matching funds, within the discretion of the Administrator of the Federal Aviation Agency, urgent airport needs in both areas can be met during the next 2 fiscal years without reducing the present apportioned funds available to the historic 48 States.

COMMITTEE COMMENT

The bill represents a complete substitute for the original proposal that Alaska receive its share of Federal matching funds on an area and population apportionment as all other States. To do this would require a reallocation of funds authorized under present law and unless the funds were increased substantially, 40 States would lose some of the funds already available to them. In order to prevent any single State from suffering any reduction in available Federal matching funds, it would be necessary to increase the present authorization of \$63 million annually by almost \$10 million. While approving the recently enacted 2-year extension of the Federal Airport Act, the President criticized the fact that the Congress failed to place Alaska on an apportionment basis equally with all other States and suggested that prompt, corrective legislation to do this was necessary. However, the committee wishes to note that the administration was not prepared to recommend any additional funds with which to treat Alaska as a State and yet not reduce available Federal matching funds for its sister States. On the contrary, the administration has limited its recommendation to the substitute bill which is now being reported and which does not add one dollar to the amounts authorized in the Federal Airport Act.

The position of the administration was advanced to the committee by James T. Pyle, Deputy Administrator of the Federal Aviation Agency as follows:

As you are aware, the subject of the Federal aid to airports has been a very controversial matter with both the Congress and the President. Although this Agency feels that Alaska deserves equal treatment with the other States, it is our firm position that there should be no increase in the total amount authorized under the act. In other words, the Federal Avia-

tion Agency does not feel that the \$63 million total figure should be raised and therefore opposes the enactment of S. 2208.

The present bill, therefore, represents, in the language of Mr. Pyle: an interim solution which would constitute a big step in the direction of treating Alaska as a State. At the same time, our proposal does not unduly prejudice the interests of other States and does not require an increase in the amounts authorized under present law.

Moreover, the committee was advised by this administration spokesman that:

The Bureau of the Budget has indicated that passage of legislation with the foregoing amendment as recommended by the Federal Aviation Agency would be in accordance with the program of the President.

Additionally, the committee has been advised orally by both Mr. Pyle and the Bureau of the Budget that no objection is made to the inclusion of Hawaii in this substitute bill. In this manner, a similar situation which will confront Hawaii, upon its admission to the Union, can be corrected at this time.

COMMITTEE AMENDMENTS

S. 2208 is amended in the following manner:

Strike all after the enacting clause and substitute in lieu thereof a revision of paragraph (2) of section 6(b) of the Federal Airport Act so as to add the words "Alaska and Hawaii" wherever the words "several States" appear therein, and to substitute the words "regardless of the location of such projects" for the words "regardless of the States in which they are located" in the first sentence thereof.

Amend the title to read as follows:

A bill to provide that Alaska and Hawaii be eligible for participation in the distribution of discretionary funds under section 6(b) of the Federal Airport Act.

AGENCY COMMENTS

The bill is recommended by the Federal Aviation Agency and is not opposed by the Bureau of the Budget as noted above.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in *roman*):

FEDERAL AIRPORT ACT

DISTRIBUTION OF FUNDS AVAILABLE FOR PROJECTS IN STATES
(69 STAT. 442, 49 U.S.C. 1105)

Apportionment of Funds

SEC. 6(a) * * *

Discretionary Fund

(b)(1) * * *

(2) Such discretionary fund shall be available for such approved projects in the several States, *Alaska and Hawaii* as the Administrator may deem most appropriate for carrying out the national airport plan, regardless of the [States in which they are located] *location of such projects*. The Administrator shall give consideration, in determining the projects for which such fund is to be so used, to the existing airport facilities in the several States, *Alaska and Hawaii*, and to the need for or lack of development of airport facilities in the several States, *Alaska and Hawaii*.

